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DRAFT MEMORANDUM FOR THE IAC

SUBJECT : Program of Estimates through 1953

REFERENCE: Memorandum for the IAC, dated 5 May 1952

1. Initiation of the following estimates is considered to be of the highest importance during this period:

- a. Probable Soviet Strategy through 1963: This would be designed not to estimate precise Soviet courses of action, but to (1) examine the courses of action open to the Kremlin, and (2) estimate the general strategy it would be likely to adopt, in view not only of its own capabilities, but also of probable developments outside the Soviet bloc. Target date for submission of contributions: 1 December 1953.
- b. Future Orientation of West Germany: This estimate should examine the various long-range economic, political and psychological factors -- internal and external -- which will affect West Germany's future course. Target date for submission of contributions: 15 January 1953.

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- c. Prospects for the Development of Strength and Stability in Western Europe: This estimate would attempt to determine the extent to which Western Europe can develop and maintain political, economic, and military strength with or without large-scale US aid. Target date for submission of contributions: 1 March 1953.

3. The following subjects, previously estimate, should be re-examined during this period on a high priority:

- a. Soviet Bloc Capabilities and Probable Courses of Action (through mid-1955): Unlike NIE-25 and NIE-64, new periodic examinations of this subject should be based upon a two-year projection, i.e., through the fiscal year (1955) for which specific budgetary plans will be made during the last half of 1953. In order to facilitate the coordination process, the Board plans to publish in the formal estimate a relatively brief summary of capabilities, and to attach as separate appendices staff studies on economic, political, military and scientific factors. These staff studies would be prepared

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and coordinated at the staff level over a period of several months and bear the date of their approval by the Board, rather than the date of the final paper. Target date for completion of the entire project would be 1 September 1953, with the various segments scheduled over the several months preceding.

- b. East Germany: The present estimate expires at the end of 1952. A new examination is required as a basis for understanding Soviet policy toward West Germany. Target date for submission of contributions: 1 January 1953.
- c. Eastern European Satellites: The present estimate expires in mid-1953. A new review of Satellite potential and of the developing nature of Soviet-Satellite relations is a continuing need. This paper should also include a detailed examination of the collectivization program in the Satellites. Target date for submission of contributions: 1 April 1953.

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- d. Korea: The present estimate expires in mid-1953. Korea will continue to be an area of tension, whatever developments occur in the war or the armistice talks. Target date for submission of contributions: 1 May 1953.
- e. Indochina: The present estimate expires in mid-1953, and the situation will almost certainly require a new estimate. Target date for submission of contributions: 1 April 1953.
- f. Egypt: A new estimate is needed to take note of the developing nature of the new regime and of its impact upon outstanding problems in the Middle East including the question of Middle Eastern defense. Target date for submission of contributions: 15 December 1952.
- g. India: The present Indian estimate, completed in 1951, has become obsolete, and a new examination of India's economic and political problems is required. Target date for submission of contributions: 15 February 1953.

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- h. Japan: An estimate of the prospects for Japanese rearmament, with particular reference to the effect of Japan's economic problems upon her willingness and ability to rearm, will probably be required. Target date for submission of contributions: 1 March 1953.

4. Collection and research efforts, looking toward the formal initiation of national estimates, should be undertaken immediately in the following areas of study and pursued with the highest priority:

- a. Communist China: Estimates written during 1951 and 1952 have been hampered by a lack of solid, recent data on the political, economic, and military situation in China. Pursuant to the post-mortem on SE-27, steps toward the improvement of economic intelligence on Communist China have already been taken. Further rationalization of the requirements for satisfactory estimates is required, especially in the political and military fields. The research requirements will be prepared in O/NE at an early date and referred to the appropriate agencies so that the necessary collection efforts can be undertaken.

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- b. The Soviet Economy: Adequate national intelligence effort has not yet been given to such problems as the location of Soviet industry, the degree of industrial concentration in geographic areas, the extent of regional self-sufficiency and interdependence, the Soviet transportation system, the stockpiling program, industrial bottlenecks, critical commodities in short supply, local and over-all vulnerabilities. Estimates on these subjects will assist in making estimates of over-all Soviet intentions and estimates of capabilities and intentions in particular areas (e.g., a study of the Soviet Far East as an aid in estimating Communist policy in Asia). They will assist in formulating national policies on a variety of subjects, including trade controls, war plans, weapon development, etc. Specific research requirements will be prepared jointly by O/NE and O/RR and referred to appropriate agencies.
- c. Soviet Capabilities for Conducting Warfare by Unconventional Means: Continuing studies in the fields of atomic and thermonuclear weapons, guided

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missiles, clandestine activities, biological and chemical weapons, electronics, or other related methods of conducting unconventional warfare are required. These studies should cover not only levels of technical achievement, but production and delivery where appropriate. Research requirements will be drafted jointly by O/NE, O/SI, and O/RR and referred to appropriate agencies.

4. Preparation of estimates on the following subjects is considered desirable, but of a lower priority than those subjects noted above. The Board will initiate them if and when it appears possible to complete them within the time span of this program, or earlier, if policy requirements or specific developments require it.

- a. Likelihood of the Loss of Important Resources of (1) Africa, (2) Indian Subcontinent, (3) Middle East, and (4) Latin America. These would be initiated separately and follow the general approach of NIE-56 (still in process).
- b. The United Kingdom, with special reference to its future economic and political development

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and the various factors which will determine its future role in Europe, the Middle East, the Far East, and the East-West struggle generally.

- c. Greece, with special reference to its capacity for development without continuing US aid.
- d. Israel, with particular reference to internal political and economic strains and the various factors which will affect its position in the Middle East and in the East-West struggle, as well as US problems and responsibilities.
- e. Indonesia, with special reference to basic factors and trends which will determine whether Indonesia will remain unstable and vulnerable to Communist exploitation.

5. The Estimate of the World Situation, completed this year in April and October, should continue to be prepared by O/NE. The specific target dates will depend upon such policy or operational requirements as develop.

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